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Farm Mortgage Lending

Experience of 15 Life Insurance Companies, *Federal Land Banks, and Farmers Home Administration*

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Farm mortgage loans held by 15 life insurance companies, Federal land banks, and the Farmers Home Administration (FHA) on June 30, 1973, were $2 billion higher than a year earlier, a 12-percent increase. Most of this increase was due to the $1.6 billion increase in loans held by the Federal land banks. The amount held by the life insurance companies increased $190 million and the farm ownership loans (direct and insured) held by FHA increased $151 million.

New money loaned by the Federal land banks continued to set records. Federal land bank lending amounted to $1.4 billion during the first 6 months of 1973, more than triple the $432 million extended by life insurance companies (fig. 1). The $289 million in farm ownership loans extended by FHA boosted

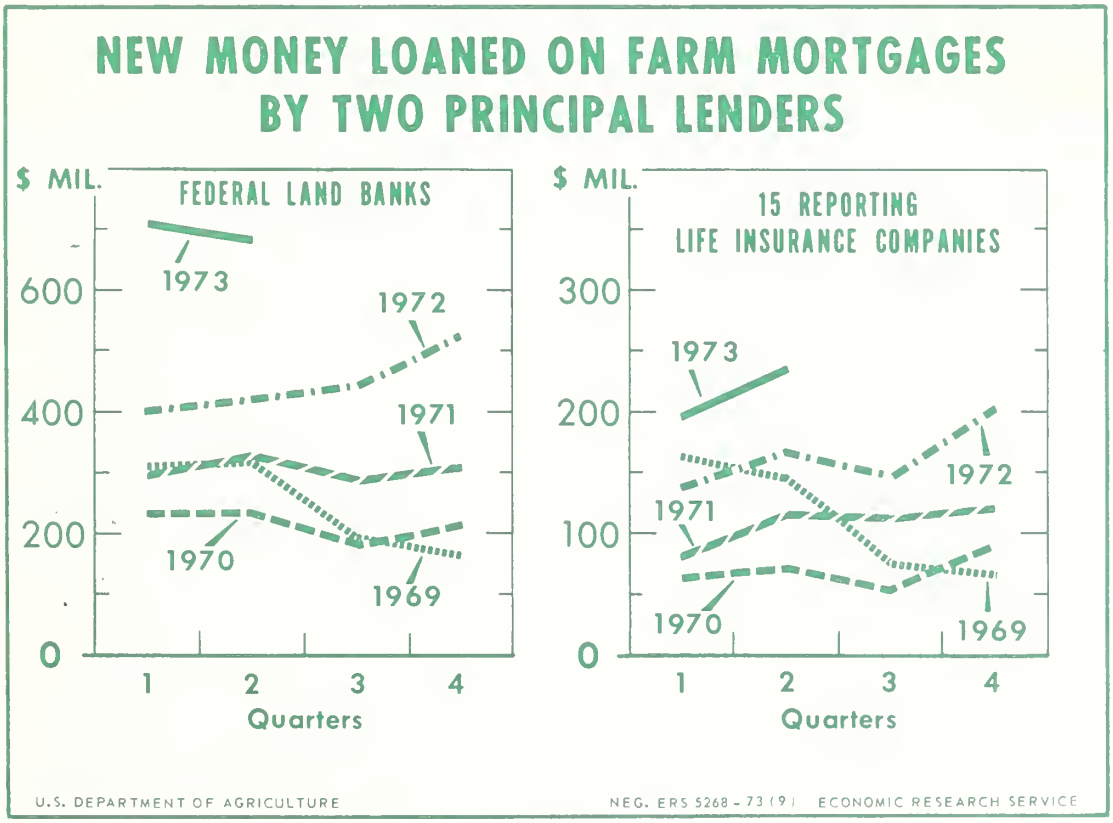

Figure 1

total farm mortgage lending by the three groups to 57.6 percent above the year-earlier period.

The big jump in the value of farmland and rising farm prices contributed to the upsurge in farm mortgage lending. Interest rates charged by life insurance companies rose slightly during the first half of 1973 but rates charged by Federal land banks remained stable (fig. 2).

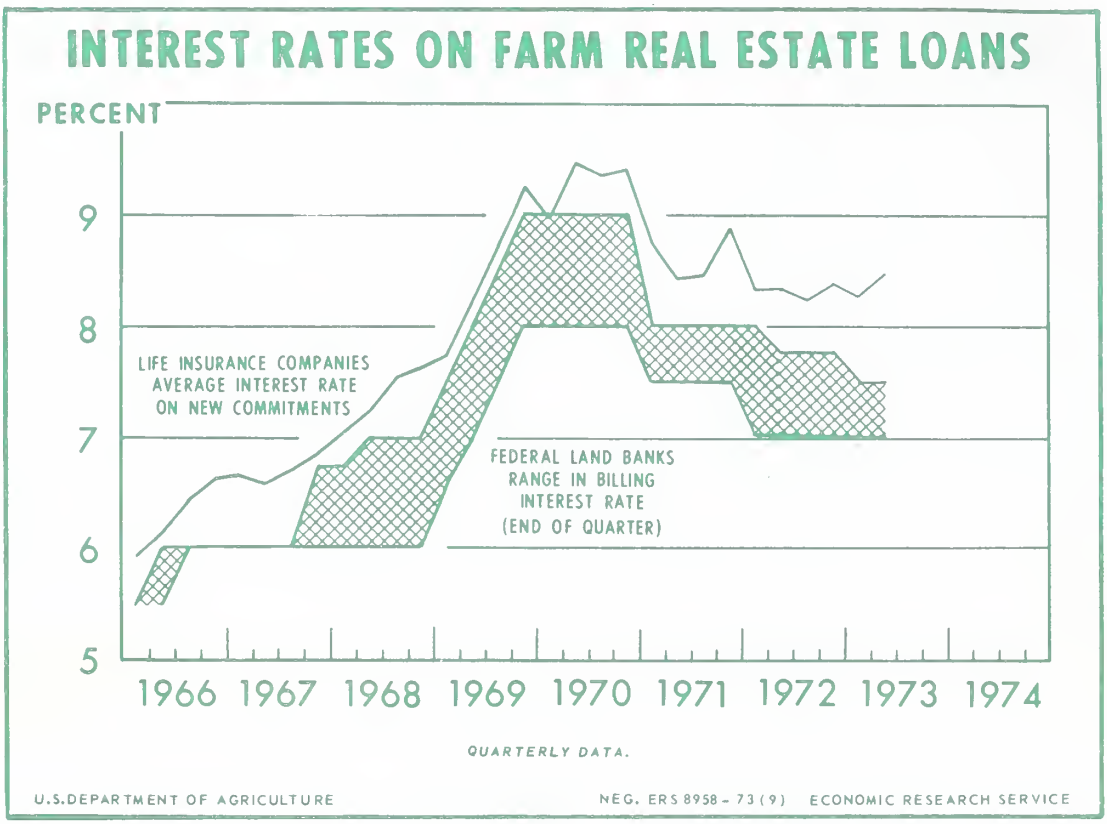

Figure 2

Principal repayments on farm mortgage loans as a ratio of the total amount outstanding continued to increase during the first half of 1973. The repayment ratios for life insurance companies--6.5 percent--and Federal land banks--4.5 percent--were the highest since the mid-1960's.

Money loaned by Federal land banks and life insurance companies for real estate purchases during the first half of the year was up 8.1 and 9.4 percentage points, respectively, from a year earlier. Loans for refinancing existing debts decreased.

Life Insurance Companies

Loans outstanding: The total volume of loans outstanding increased by more than $70 million during the first half of 1973 to a record $5.5 billion. Principal repayments of $351 million represented a 6.5-percent repayment ratio,

the highest since the mid-1960's. The increased repayments kept the total loans outstanding from expanding even more.

New money loaned: New money loaned during the first half of 1973 reached $432 million, up 40 percent from a year earlier and 24 percent from 6 months earlier (table 1). It was the largest volume for a 6-month period since the first half of 1966. Lower interest rates in early 1973 contributed to the increase in volume. Increased lending by life insurance companies began more than a year ago and has carried over into 1973. Based on record commitments made in the second quarter, the upsurge in new farm mortgage lending was expected to continue through the third quarter of the year.

Average size of loan: Farm mortgage loans made in the first 6 months of 1973 averaged $87,440--16 percent larger than a year earlier, but 20 percent smaller than 6 months earlier. Although 54 percent more new loans were made in the first half of 1973 than in the previous 6 months, the volume increased only 29 percent. This accounts for the decrease in the average loan size.

Loan commitments: New loan commitments of $632 million were the largest on record for a 6-month period. They were 41 percent greater than a year earlier and more than 2 1/3 times greater than 2 years earlier. Record commitments of $343 million in the second quarter of 1973 were 19 percent greater than in the previous quarter and 45 percent above a year earlier.

Interest rates: Interest rates charged by life insurance companies inched upward during the first half of 1973. The weighted average interest rate charged on new commitments rose from 8.290 percent during the first quarter of 1973 to 8.486 percent during the second quarter. The increased volume of commitments made during the second quarter, coupled with a slightly higher average interest rate, resulted in an average interest rate of 8.399 percent for the first half--0.82 percentage point higher than a year earlier and 0.63 percentage point above 6 months earlier.

Use of money borrowed: New commitments made by life insurance companies during the first half of 1973 for farm real estate purchases represented 35.8 percent of their total commitments, up 9.4 percentage points from the year earlier (table 3). Second quarter commitments for real estate purchases were 1.3 percentage points above the previous quarter. Total refinancing in the first half of 1973 dropped 6.8 percentage points under the January-June 1972 period. Repairs and improvements to land and buildings accounted for 17.2 percent of the second quarter commitments--a 5.6 percentage point increase over the previous quarter. However, for the first 6 months, commitments used for this purpose declined to 14.7 percent from 17.2 percent the year earlier.

Delinquencies and foreclosures: The number of mortgages foreclosed by life insurance companies during the first 6 months of the year decreased about 19 percent, but the dollar amount increased by about the same percentage. Foreclosures averaged $351,960 in size, 47 percent larger than the year-earlier period but 31 percent smaller than the previous 6-month period.

Delinquent farm mortgage loans remained insignificant in relation to total amount outstanding. On June 30, 1973, delinquencies had declined to 1.1 percent of loans outstanding from 1.6 percent a year earlier, down about 26 percent in

both number and amount. The average size of delinquent loans was $136,980 as of June 30, 1973, significantly smaller than the 3 months earlier average of $161,150. Loan size decreased only 2 percent from June 1972 but dropped 39 percent under December 1972.

Federal Land Banks

Loans outstanding: Total Federal land bank farm mortgage loans outstanding on June 30, 1973, amounted to $10.1 billion, 19.5 percent more than a year earlier. Although repayments on outstanding loans during the first half of 1973 totaled $412 million, they were less than a third of the volume of new money loaned (table 5). These repayments represented 4.5 percent of the principal outstanding 6 months earlier--the highest repayment ratio since the first half of 1964.

New money loaned: Federal land banks extended $1.4 billion in new money in the first 6 months of 1973--69 percent more than a year earlier and 121 percent more than the like 1971 period. The record volumes of new money extended resulted from implementation of the Farm Credit Act of 1971, which permitted Federal land banks to increase the proportion of a farm's value they can finance, coupled with lower average interest rates and rising farmland prices.

Average size of loan: In the first half of 1973, the average loan--$53,810--was a third larger than a year earlier and 11 percent larger than in the previous 6-month period. However, from the first to the second quarter of this year average loan size decreased 4.6 percent--the first drop since 1970.

Interest rates: Interest rates charged by Federal land banks during the first half of the year ranged from 7.00 to 7.50 percent, compared with 7.00 to 7.75 percent a year earlier. However, during August and September 1973, 10 land bank districts increased their interest rates. Five districts are now charging 7.50 percent--the lowest interest rate now being written on a land bank loan. Another five districts are charging 8 percent.

Use of money borrowed: The percentage of money used for farm real estate purchases continued to rise during the first half of the year. Of total Federal land bank loans, 41 percent was used to acquire farm real estate, 8.1 percentage points more than a year earlier (table 7). Loans for refinancing debts decreased 6.1 percentage points from the January-June 1972 period and represented 41.9 percent of all land bank money loaned in the first half of 1973. Refinancing of short term loans held by others accounted for most of the total refinancing decrease. Repairs and improvements to land and buildings accounted for 7.5 percent of land bank loans. It was down only 0.3 percentage point from a year earlier but was 3.4 percentage points below the previous 6-month period.

Delinquencies and foreclosures: The number of Federal land bank delinquencies at the end of the first half of the year, 7,778, was the lowest in more than a decade. Even though the matured principal unpaid, $14 million, dropped 50 percent from December 31, 1972, it is the second highest volume delinquent on record.

Three loans were foreclosed by Federal land banks in the first half of the year, with a total principal indebtedness of $178,000. The number dropped from

6 and the amount from $329,000 the year earlier. The foreclosed land bank loans averaged $59,330, or 8 percent larger than a year earlier and 63 percent larger than in the previous 6-month period.

Farmers Home Administration

Loans outstanding: Direct and insured farm ownership loans outstanding on June 30, 1973, increased 6.9 percent in volume from a year earlier to $2.3 billion. Most of that increase--4.6 percent--came in the first half of 1973. A stepup in repayments in the second quarter of 1973 offset some of the increased volume of lending.

Rural housing loans outstanding, $6.2 billion, increased more than a fourth in the year ended June 30, 1973. Since mid-1969 the volume of rural housing loans outstanding has more than tripled.

New money loaned: FHA's new money loaned under the farm ownership program was $289 million, 38 percent greater than the first half of 1972 and 81 percent larger than the latter half of 1972. Twice as much new money was loaned in the second quarter of 1973 as in the previous quarter. Rural housing loans totaled $867 million in the first half of the year--4.1 percent above the year-earlier period but 5.3 percent below the previous 6 months.

Average size of loans: Farm ownership loans averaged $29,110 during the first half of 1973, an increase of 4.4 percent over a year earlier and 8.7 percent over the last half of 1972. Between the first and second quarters of 1973, the average size decreased 1.9 percent. The average rural housing loan rose 7 percent during the year ended June 30, 1973.

Loan commitments: Farm ownership commitments of $193 million were made for the first half of 1973, 40 percent more than the year-earlier period and 77 percent more than 2 years earlier. Commitments for rural housing dropped to $786 million from $876 million a year earlier.

Foreclosures: FHA's delinquent farm ownership loans on June 30, 1973, were 8.0 percent of total volume outstanding. This is 6.6 percentage points below the amount delinquent 6 months earlier, but 2.1 percentage points above the year-earlier period. Delinquent rural housing loans also dropped significantly from December 1972. They represented 5.4 percent of the volume outstanding on June 30, down from 15.7 percent 6 months earlier.

The 211 FHA farm ownership loans in process of foreclosure were insignificant in relation to the total 114,762 outstanding. Principal indebtedness on these loans for the first half of 1973 was 3.7 percent less than a year earlier. Even though rural housing loans in process of foreclosure represented only 0.4 percent of loans outstanding on June 30, 1973, both number and amount were up considerably from a year earlier, 47 and 60 percent, respectively. The number of actual foreclosures on farm ownership loans in the second quarter dropped 40 percent from the year-earlier period, but increased 40 percent from the first quarter of 1973. Rural housing foreclosures followed the same pattern, down 77 percent from the second quarter of 1972 but up 95 percent from the first quarter of 1973.

Table 1--Farm mortgage loans: Selected data for 15 life insurance companies, Federal land banks, and Farmers Home Administration, United States, Jan. 1, 1972, through June 30, 1973 1/

Item	Unit	6 months ending--			Percentage change, 6 months ending--	
		June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
					------ Percent ------	
New money loaned: 2/						
Life insurance companies	1,000 dollars	308,784	349,056	431,885	39.9	23.7
Federal land banks	do	826,153	969,731	1,397,000	69.1	44.1
Farmers Home Administration:						
Farm ownership 3/	do	208,784	160,009	288,911	38.4	80.6
Rural housing 4/	do	833,279	915,686	867,090	4.1	-5.3
Repayment ratio: 5/						
Life insurance companies	Percent	5.8	4.1	6.5	---	---
Federal land banks	do	4.0	3.6	4.5	---	---
Farmers Home Administration:						
Farm ownership 3/	do	5.0	5.0	8.3	---	---
Rural housing 4/	do	5.4	5.4	3.9	---	---
Amount of loans outstanding end of period:						
Life insurance companies	1,000 dollars	5,320,877	5,440,736	5,511,205	3.6	1.3
Federal land banks	do	8,431,174	9,092,955	10,077,471	19.5	10.8
Farmers Home Administration:						
Farm ownership 3/	do	2,188,290	2,237,145	2,339,672	6.9	4.6
Rural housing 4/	do	4,865,076	5,510,039	6,152,327	26.5	11.7
Change in volume of loans outstanding:						
Life insurance companies	do	-6,593	119,861	70,710	---	---
Federal land banks	do	512,989	661,781	984,516	---	---
Farmers Home Administration:						
Farm ownership 3/	do	103,358	48,855	102,527	---	---
Rural housing 4/	do	595,727	644,963	642,288	---	---
Amount of commitments:						
Life insurance companies	1,000 dollars	6/448,861	6/467,167	7/631,644	40.7	35.2
Farmers Home Administration:						
Farm ownership 3/	do	137,977	161,712	193,066	39.9	19.4
Rural housing 4/	do	875,629	886,482	786,086	-10.2	-11.3
Other	do	190,096	94,516	298,068	56.8	215.4

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Table 1--Farm mortgage loans: Selected data for 15 life insurance companies, Federal land banks, and Farmers Home Administration, United States, Jan. 1, 1972, through June 30, 1973 1/--Continued

Item	Unit	6 months ending--			Percentage change, 6 months ending--	
		June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
					------ Percent ------	
Interest rates:						
Life insurance companies 8/	Percent	8.317	8.336	8.399	---	---
Federal land banks	do	7.00-7.75	7.00-7.75	7.00-7.50	---	---
Farmers Home Administration:						
Farm ownership	do	5.00	5.00	5.00	---	---
Rural housing 9/	do	1.00-7.25	1.00-7.25	1.00-7.25	---	---

1/ Federal land bank data also include Puerto Rico.
2/ New money loaned represents amount of mortgages acquired plus increases in principal of mortgages already owned.
3/ Includes both direct and insured farm ownership loans.
4/ Includes both direct and insured rural housing loans.
5/ Payments on principal as percent of principal indebtedness beginning of period.
6/ One company reported no new commitments for the reporting periods. Two companies, reporting new commitments for the reporting periods, did not report interest rates.
7/ Two companies reported no new commitments for the period. Two companies, reporting new commitments for the period, did not report interest rates.
8/ Average rate on new commitments.
9/ On June 30, 1973, Section 523 loans for building sites to be developed on a nonprofit basis were at 5 1/8 percent. Rural housing disaster loans were suspended as of April 20, 1973. Section 504 loans made to very low-income families were at 1 percent. Loans for less than $1,000 for which a private lender could not be found were at 7.25 percent. Insured rural housing loans were also at 7.25 percent.

Table 2--Life insurance companies: Farm mortgage loans, 15 companies, United States, Jan. 1, 1972, through June 30, 1973

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------ Percent ------	
Beginning of period					
Mortgages owned:					
Number	153,316	148,427	144,567	-5.7	-2.6
Principal indebtedness:					
Total.....1,000 dollars	5,327,470	1/5,320,875	2/5,440,495	2.1	2.2
Average.....dollars	34,750	35,850	37,630	8.3	5.0
During period					
Mortgages acquired:					
Number	2,817	2,152	3,315	17.7	54.0
Principal indebtedness:					
Total 3/.....1,000 dollars	259,186	286,507	370,156	42.8	29.2
Average 4/.....dollars	75,370	108,890	87,440	16.0	-19.7
Increase in principal of mortgages already owned--------1,000 dollars	49,598	62,549	61,729	24.5	-1.3
Total new money loaned....do	308,784	349,056	431,885	39.9	23.7
Payments on principal of mortgages:					
Mortgages paid in full:					
Number	7,661	5,994	8,619	12.5	43.8
Amount:					
Total 5/.....1,000 dollars	143,310	127,957	180,822	26.2	41.3
Average 6/.....dollars	15,940	19,770	18,670	17.1	-5.6
Other 6/.....1,000 dollars	164,671	92,605	170,222	3.4	83.8
Total.....do	307,981	220,562	351,044	14.0	59.2
Percentage of principal indebtedness, beginning of period	5.8	4.1	6.5	---	---
Mortgages on farm properties acquired by foreclosure and voluntary conveyance:					
Number	31	17	25	-19.4	47.1
Principal indebtedness:					
Total.....1,000 dollars	7,396	8,634	8,799	19.0	1.9
Average.....dollars	238,580	7/507,880	8/351,960	47.5	-30.7
End of period					
Mortgages owned:					
Number	9/148,427	9/144,567	10/139,221	-6.2	-3.7
Principal indebtedness:					
Total.....1,000 dollars	5,320,877	11/5,440,736	10/5,511,205	3.6	1.3
Average.....dollars	35,850	37,630	39,590	10.4	5.2
Mortgages with interest overdue more than 3 months:					
Number	612	198	455	-25.7	129.8
Percentage of total	.4	.1	.3	---	---
Principal indebtedness.....1,000 dollars	85,730	44,420	62,326	-27.3	40.3
Percentage of total	1.6	.8	1.1	---	---
Average.....dollars	140,080	224,340	136,980	-2.2	-38.9

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Table 2--Life insurance companies: Farm mortgage loans, 15 companies, United States, Jan. 1, 1972, through June 30, 1973--Continued

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------ Percent ------	
End of period--continued					
Mortgages in process of foreclosure:					
Number	130	118	79	-39.2	-33.1
Percentage of total	.1	.1	.1	---	---
Principal indebtedness.....1,000 dollars	23,938	20,321	11,976	-50.0	-41.1
Percentage of total	.4	.4	.2	---	---
Average.....dollars	184,140	172,210	151,590	-17.7	-12.0
Mortgage-loan commitments during period:					
Number	12/4,189	12/3,803	13/4,639	10.7	22.0
Amount:					
Total.....1,000 dollars	448,861	467,167	631,644	40.7	35.2
Average.....dollars	14/107,150	15/122,840	16/136,160	27.1	10.8

1/ Because of consolidation and/or splitting of loans, there was a net decrease of $2,000 from the amount reported June 30, 1972. 2/ Because of a revision for one company between the fourth quarter of 1972 and the first quarter of 1973, there was a decrease of $241,000. 3/ Includes increase in principal indebtedness of mortgages already owned for two companies. 4/ Thirteen-company data; excludes the two companies that did not separate principal of farm mortgages acquired and increase in principal of mortgages already owned. 5/ Includes principal payments on farm mortgages not paid in full for one company. 6/ Fourteen-company data; excludes the one company that did not separate principal payments on mortgages paid in full from payment on other mortgages not paid in full. 7/ Average based on 17 loans foreclosed. Five of these loans totaled $6 million. 8/ Average based on 25 loans foreclosed. Four of these loans totaled $5.3 million. 9/ Because of consolidation and/or splitting of loans, there were net decreases of 14 loans in the first 6 months and 1 loan in the last 6 months of 1972, respectively. 10/ Because of revisions for one company between the first and second quarters of 1973, there were decreases of 2 loans and $1,332,000 during the first 6 months of 1973. 11/ Because of consolidation and/or splitting of loans, there was a net increase of $1,000 in the last 6 months of 1972. 12/ One company reported no new commitments for the period. Two companies, reporting new commitments for the period, did not report interest rates. 13/ Two companies reported no new commitments for the period. Two companies, reporting new commitments for the period, did not report interest rates. 14/ Average based on 4,189 loan commitments. Thirteen of these commitments totaled $39.2 million. 15/ Average based on 3,803 loan commitments. Ten of these commitments totaled $31.2 million. 16/ Average based on 4,639 commitments. Seventeen of these commitments totaled $12.4 million.

Table 3--Life insurance companies: Purposes of farm mortgage-loan commitments, 13 companies, United States, Jan. 1, 1972, through June 30, 1973

Item	6 months ending--		
	June 30, 1972	Dec. 31, 1972	June 30, 1973
	1,000 dollars		
Amount of commitments	333,003	323,912	460,156
	Percent		
Percentage of total funds committed for--			
Farm real estate purchases	26.4	36.9	35.8
Refinancing: 1/			
Mortgages held by--			
Own company	20.6	14.7	13.8
Others	12.8	11.0	10.2
Total	33.4	25.7	24.0
Other indebtedness	17.0	18.2	17.4
Total refinancing	50.4	43.9	41.4
Repairs and improvements to land and buildings	17.2	10.2	14.7
Other purposes:			
Known	5.7	8.9	8.0
Unknown	.3	.1	.1
All purposes	100.0	100.0	100.0

1/ Distribution between mortgages held by own company and by others estimated for 2 companies.

Table 4--Life insurance companies: Interest rates on farm mortgage loan commitments, United States, Jan. 1-June 30, 1973 1/

Interest rate	Loans				Average size of loan commitment
	Number	Percentage distribution	Amount	Percentage distribution	
		Percent	Dollars	Percent	Dollars
7 percent	5	0.2	250,450	0.1	50,090
7 1/4 percent	16	.6	1,069,200	.3	66,830
7 1/2 percent	106	4.0	7,709,008	2.3	72,730
7 3/4 percent	93	3.5	10,611,650	3.2	114,100
8 percent	1,539	58.0	127,178,883	38.0	82,640
8 1/4 percent	484	18.2	78,437,414	23.4	162,060
8 1/2 percent	292	11.0	64,160,082	19.2	219,730
8 3/4 percent	67	2.5	29,037,224	8.7	433,390
9 percent	41	1.5	12,065,872	3.6	294,290
9 1/4 percent and over	13	.5	4,029,765	1.2	309,980
Total or average	2,656	100.0	334,549,548	100.0	125,960

1/ The weighted average interest rate, based on 2,883 loans and a total amount committed of $455,203,550 is 8.399 percent. Two companies reported no new commitments for the 6-month period. Two companies, reporting new commitments for the 6-month period, did not report interest rates. The weighted average interest rate for the first 6 months of 1972 was 8.317 percent and the last 6 months of 1972, 8.336 percent.

Table 5--Federal land banks: Farm mortgage loans, United States, Jan. 1, 1972, through June 30, 1973 1/

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------- Percent ------	
Beginning of period					
Loans outstanding: 2/					
Number	404,593	406,461	407,637	0.8	0.3
Principal indebtedness:					
Total.....1,000 dollars	7,918,185	8,431,174	9,092,955	14.8	7.8
Average.....dollars	19,570	20,740	22,310	14.0	7.6
During period					
Loans made: 3/					
Number	25,226	25,089	31,568	25.1	25.8
Principal indebtedness:					
Total.....1,000 dollars	1,022,805	1,214,984	1,698,649	66.1	39.8
Average.....dollars	40,550	48,430	53,810	32.7	11.1
New money loaned 4/....1,000 dollars	826,153	969,731	1,397,000	69.1	44.1
Other increases: 5/					
Number	60	51	38	-36.7	-25.5
Amount:					
Total.....1,000 dollars	8,276	8,600	4,884	-41.0	-43.2
Decreases:					
Principal repayments: 6/					
Total.....1,000 dollars	315,637	305,875	412,114	30.6	34.7
Percentage of unpaid principal, beginning of period	4.0	3.6	4.5	---	---
Other: 7/					
Number	9,575	9,171	10,667	11.4	16.3
Amount:					
Total.....1,000 dollars	202,455	255,928	306,903	51.6	19.9
Average.....dollars	21,140	27,910	28,770	36.1	3.1
Paid in full:					
Number	13,843	14,793	16,876	21.9	14.1
Farm properties acquired by foreclosure and voluntary conveyance:					
Number	6	3	3	-50.0	0
Principal indebtedness:					
Total.....1,000 dollars	329	109	178	-45.9	63.3
Average.....dollars	54,830	36,330	59,330	8.2	63.3
End of period					
Loans outstanding: 2/					
Number	406,461	407,637	411,700	1.3	1.0
Principal indebtedness:					
Total.....1,000 dollars	8,431,174	9,092,955	10,077,471	19.5	10.8
Average.....dollars	20,740	22,310	24,480	18.0	9.7

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Table 5--Federal land banks: Farm mortgage loans, United States, Jan. 1, 1972, through June 30, 1973 1/--Continued

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------- Percent -------	
End of period--Continued					
Loans delinquent or extended: 8/					
Number	8,958	16,174	7,778	-13.2	-51.9
Percentage of total	2.2	4.0	1.9	---	---
Matured principal unpaid:					
Total.....1,000 dollars..	5,740	28,187	14,156	146.6	-49.8
Percentage of total	.1	.3	.1	---	---
Average.....dollars..	640	1,740	1,820	184.4	4.6
Loans called for foreclosure:					
Number	188	180	171	-9.0	-5.0
Percentage of total	9/	9/	9/	---	---
Principal indebtedness:					
Total.....1,000 dollars..	10,037	8,352	8,137	-18.9	-2.6
Percentage of total	.1	.1	.1	---	---
Average.....dollars..	53,390	46,400	47,580	-10.9	2.5
Farm properties owned:					
Number	7	6	8	14.3	33.3
Principal indebtedness:					
Total.....1,000 dollars..	340	184	352	3.5	91.3
Average.....dollars..	48,570	30,670	44,000	-9.4	43.5

1/ Includes Puerto Rico.
2/ Excludes loans called for foreclosure.
3/ Gross number and amount of all loans made including new loans which replaced old loans, and loans canceled prior to disbursement of loan proceeds.
4/ New money loaned is included in principal indebtedness of loans made.
5/ Increase in number or amount of loans, or both, by reason of reamortization, reinstatements, and so on.
6/ Consists of principal matured and paid in advance, special principal payments and loans paid off prior to maturity.
7/ Includes loans replaced by new loans, loans canceled by deed and called for foreclosure, and loans divided.
8/ Loans are classified as delinquent on the next day after the installment payment became due.
9/ Less than 0.05 percent.

Farm Credit Administration.

Table 6--Interest rates charged by Federal land banks, June 30, 1973

Name of bank	Variable loan plan	Effective date	Billing rate (pct.)
Springfield	Adjustable rate--all loans	May 1, 1971	7 1/2
Baltimore	Adjustable rate	Jan. 1, 1972	7 1/2
Columbia	Adjustable rate	Dec. 1, 1971	7 1/2
Louisville	Firm rate for 1 year--then adjustable rate	Jan. 1, 1972	7 1/2
New Orleans	Adjustable rate--at beginning of each anniversary period 1/	July 1, 1972	7
St. Louis	Adjustable rate after 20 days' notice	Mar. 1, 1971	7 1/2
St. Paul	Adjustable rate 2/	Jan. 27, 1972	7
Omaha	Adjustable rate after 30 days' notice	Apr. 1, 1972	7 1/2
Wichita	Firm rate for 1 year--then adjustable rate	June 1, 1971	7 1/2
Houston	Adjustable rate 3/	Jan. 1, 1972	7
Berkeley	Firm rate for 3 years from date of first installment 4/	Jan. 1, 1973	7 1/2
Spokane	Adjustable rate 5/	Mar. 1, 1972	7 1/4

1/ Rural home loans to farmers and facility loans in New Orleans district billed at 7 1/2 percent.
2/ Timber loans in St. Paul district billed at 7 1/2 percent.
3/ Rural home loans to farmers in Houston billed at 7 1/2 percent.
4/ Rate may be increased any time after 3 years--then no additional rate increase within 3 years of preceding change. Rate may be lowered whenever justified.
5/ Firm rate until second annual or third semiannual installment.

Farm Credit Administration.

Table 7--Federal land banks: Purposes for which money has been loaned, United States, Jan. 1, 1972, through June 30, 1973

Item	6 months ending--		
	June 30, 1972	Dec. 31, 1972	June 30, 1973
	Percent		
Farm real estate purchases	32.9	30.2	41.0
Refinancing--			
Mortgages held by--			
Federal land banks	18.8	20.2	17.6
Mortgage loans held by others	17.1	17.4	16.6
Short-term loans held by others	12.1	11.0	7.7
Total refinancing	48.0	48.6	41.9
Repairs and improvements to land and buildings	7.8	10.9	7.5
Other purposes	11.3	10.3	9.6
All purposes	100.0	100.0	100.0

Farm Credit Administration.

Table 8--Farmers Home Administration: Farm ownership loans, United States, Jan. 1, 1972, through June 30, 1973 1/

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------- Percent ------	
Beginning of period					
Mortgages owned and/or insured:					
Number	111,016	111,468	113,961	2.7	2.2
Principal indebtedness:					
Total.....1,000 dollars	2,084,932	2,188,290	2,237,145	7.3	2.2
Average.....dollars	18,780	19,630	19,630	4.5	0
During period					
Mortgages acquired:					
Number	5,566	5,277	5,744	3.2	8.8
Principal indebtedness:					
Total.....1,000 dollars	155,168	141,264	167,227	7.8	18.4
Average.....dollars	27,880	26,770	29,110	4.4	8.7
Increase in principal of mortgages already owned.....1,000 dollars	53,616	18,745	121,684	127.0	2/
Total new money loaned.....do	208,784	160,009	288,911	38.4	80.6
Payments on principal of mortgages:					
Mortgages paid in full:					
Number	4,982	2,640	4,847	-2.7	83.6
Amount:					
Total.....1,000 dollars	42,443	36,744	76,384	80.0	107.9
Average.....dollars	8,520	13,920	15,760	85.0	13.2
Other.....1,000 dollars	61,450	73,331	109,301	77.9	49.1
Total.....do	103,893	110,075	185,685	78.7	68.7
Percentage of principal indebtedness, beginning of period	5.0	5.0	8.3	---	---
Mortgages on farm properties acquired by foreclosure and voluntary conveyance:					
Number	132	144	96	-27.3	-33.3
Principal indebtedness:					
Total.....1,000 dollars	1,533	1,079	699	-54.4	-35.2
Average.....dollars	11,610	7,490	7,280	-37.3	-2.8
End of period					
Mortgages owned and/or insured:					
Number	111,468	113,961	114,762	3.0	.7
Principal indebtedness:					
Total.....1,000 dollars	2,188,290	2,237,145	2,339,672	6.9	4.6
Average.....dollars	19,630	19,630	20,390	3.9	3.9

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Table 8--Farmers Home Administration: Farm ownership loans, United States, Jan. 1, 1972, through June 30, 1973 1/--Continued

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------- Percent ------	
End of period--continued					
Mortgages behind schedule in regard to amortization payments:					
Number	11,230	16,936	9,219	-17.9	-45.6
Percentage of total	10.1	14.9	8.0	---	---
Principal indebtedness.....1,000 dollars	129,809	327,135	187,717	44.6	-42.6
Percentage of total	5.9	14.6	8.0	---	---
Average.....dollars	11,560	19,320	20,360	76.1	5.4
Mortgages in process of foreclosure:					
Number	225	185	211	-6.2	14.1
Percentage of total	.2	.2	.2	---	---
Principal indebtedness.....1,000 dollars	6,298	5,249	6,062	-3.7	15.5
Percentage of total	.3	.2	.3	---	---
Average.....dollars	27,990	28,370	28,730	2.6	1.3
Mortgage loan commitments during period: 3/					
Number	4,976	5,884	6,619	33.0	12.5
Amount.....1,000 dollars	137,977	161,712	193,066	39.9	19.4
Average.....dollars	27,730	27,480	29,170	5.2	6.1

1/ Includes both direct and insured farm ownership loans. On June 30, 1973, insured farm ownership loans represented 95 percent of total farm ownership.
2/ More than 500 percent.
3/ Initial loans obligated. The interest rate on these loans is 5 percent.

Farmers Home Administration.

Table 9--Farmers Home Administration: Rural housing loans, United States, Jan. 1, 1972, through June 30, 1973 1/

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------- Percent ------	
Beginning of period					
Mortgages owned and/or insured:					
Number	428,493	468,406	515,314	20.3	10.0
Principal indebtedness.....1,000 dollars	4,269,349	4,865,076	5,510,039	29.1	13.3
Average.....dollars	9,960	10,390	10,690	7.3	2.9
During period					
Mortgages acquired:					
Number	57,333	52,134	46,685	-18.6	-10.5
Principal indebtedness.....1,000 dollars	823,678	779,641	717,903	-12.8	-7.9
Average.....dollars	14,370	14,950	15,380	7.0	2.9
Increase in principal of mortgages already owned.....1,000 dollars	9,601	136,045	149,187	2/	9.7
Total new money loaned.....do	833,279	915,686	867,090	4.1	-5.3
Payments on principal of mortgages:					
Mortgages paid in full:					
Number	10,564	3,653	13,238	25.3	262.4
Amount.....1,000 dollars	74,709	12,247	152,892	104.7	2/
Average.....dollars	7,070	3,350	11,550	63.4	244.8
Other.....1,000 dollars	154,494	248,190	59,720	-61.3	-75.9
Total.....do	229,203	260,437	212,612	-7.2	-18.4
Percentage of principal indebtedness, beginning of period	5.4	5.4	3.9	---	---
Mortgages on farm properties acquired by foreclosure and voluntary conveyance:					
Number	6,856	1,573	1,820	-73.5	15.7
Principal indebtedness.....1,000 dollars	8,349	10,286	12,190	46.0	18.5
Average.....dollars	1,220	6,540	6,700	449.2	2.4
End of period					
Mortgages owned and/or insured:					
Number	468,406	515,314	546,941	16.8	6.1
Principal indebtedness.....1,000 dollars	4,865,076	5,510,039	6,152,327	26.5	11.7
Average.....dollars	10,390	10,690	11,250	8.3	5.2

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Table 9--Farmers Home Administration: Rural housing loans, United States, Jan. 1, 1972, through June 30, 1973 1/--Continued

Item	6 months ending--			Percentage change, 6 months ending--	
	June 30, 1972	Dec. 31, 1972	June 30, 1973	June 30, 1972, and June 30, 1973	Dec. 31, 1972, and June 30, 1973
				------- Percent ------	
End of period--continued					
Mortgages behind schedule in regard to amortization payments:					
Number	20,169	76,808	28,377	40.7	-63.1
Percentage of total	4.3	14.9	5.2	---	---
Principal indebtedness.....1,000 dollars..	218,170	863,982	335,075	53.6	-61.2
Percentage of total	4.5	15.7	5.4	---	---
Average.....dollars..	10,820	11,250	11,810	9.1	5.0
Mortgages in process of foreclosure:					
Number	1,321	1,517	1,941	46.9	27.9
Percentage of total	.3	.3	.4	---	---
Principal indebtedness.....1,000 dollars..	14,937	64,204	23,931	60.2	-62.7
Percentage of total	.3	1.2	.4	---	---
Average.....dollars..	11,310	42,320	12,330	9.0	-70.9
Mortgage loan commitments during period: 3/					
Number	60,412	59,054	50,395	-16.6	-14.7
Amount.....1,000 dollars..	875,629	886,482	786,086	-10.2	-11.3
Average.....dollars..	14,490	15,010	15,600	7.7	3.9

1/ Includes both direct and insured rural housing loans. On June 30, 1973, insured rural housing loans outstanding represented 98 percent of total rural housing.

2/ More than 500 percent.

3/ Initial loans obligated. On June 30, 1973, Section 523 loans for building sites to be developed on a nonprofit basis were at 5 1/8 percent. Rural housing disaster loans were suspended as of April 20, 1973. Section 504 loans made to very low-income families were at 1 percent. Loans for less than $1,000 for which a private lender could not be found were at 7.25 percent. Insured rural housing loans were also at 7.25 percent.

Farmers Home Administration.

Table 10--Farmers Home Administration: Insured loans held Mar. 31, 1973, and initial loans obligated, quarter ending June 30, 1973

Item	Quarter ending--					Percentage change, latest quarter from 12 months earlier
	Mar. 31, 1972	June 30, 1972	Dec. 31, 1972	Mar. 31, 1973	June 30, 1973	
						Percent
Insured loans outstanding:						
Farm ownership...$1,000..	1,918,369	1,980,086	2,038,668	2,077,983	NA	8.3
Soil and water.....do..	726,045	753,941	1,090,550	1,109,902	NA	52.9
Rural housing.....do..	4,272,761	4,678,797	5,338,246	5,631,888	NA	31.8
Farm labor housing...do..	16,248	16,612	18,004	18,710	NA	15.2
Rural rental housing.do..	92,673	103,579	122,774	124,849	NA	34.7
Rural housing site...do..	1,420	1,509	1,904	1,936	NA	36.3
Recreation.....do..	4,535	5,358	5,827	6,054	NA	33.5
Indian Tribe land acquisitions.....do..	795	2,375	4,703	4,703	NA	491.6
Watershed and flood prevention.....do..	1/	1/	13,901	14,293	NA	---
Resource conservation and development and rural renewal.....do..	1/	1/	10,667	12,747	NA	---
Total.....do..	7,032,846	7,542,257	8,645,244	9,003,065	NA	28.0
Insured loan commitments						
Farm ownership:						
Number.....	3,190	1,786	2,896	2,801	3,818	113.8
Amount.....$1,000.....	90,870	47,107	81,025	80,593	112,473	138.8
Average....dollars.....	28,490	26,380	27,980	28,770	29,460	11.7
Soil and water:						
Number.....	498	322	393	180	507	57.5
Amount.....$1,000.....	73,361	92,237	35,926	61,698	163,229	77.0
Average....dollars.....	147,310	286,450	91,410	342,770	321,950	12.4
Rural housing:						
Number.....	25,005	34,008	28,201	21,456	27,848	-18.1
Amount.....$1,000.....	361,146	512,281	435,042	334,658	449,572	-12.2
Average....dollars.....	14,440	15,060	15,430	15,600	16,140	7.2
Farm labor housing:						
Number.....	15	29	19	14	4	-86.2
Amount.....$1,000.....	1,263	1,288	673	657	2,004	55.6
Average....dollars.....	84,200	44,410	35,420	46,930	501,000	2/
Rural rental housing:						
Number.....	76	141	38	43	292	107.1
Amount.....$1,000.....	6,366	13,375	3,506	5,167	55,573	315.5
Average....dollars.....	83,760	94,860	92,260	120,160	190,320	100.6
Rural housing site:						
Number.....	2	4	1	1	10	150.0
Amount.....$1,000.....	104	227	9	145	1,006	343.2
Average....dollars.....	52,000	56,750	9,000	145,000	100,600	77.3

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Table 10--Farmers Home Administration: Insured loans held Mar. 31, 1973, and initial loans obligated, quarter ending June 30, 1973--Continued

Item	Quarter ending--					Percentage change, latest quarter from 12 months earlier
	Mar. 31, 1972	June 30, 1972	Dec. 31, 1972	Mar. 31, 1973	June 30, 1973	
						Percent
Insured loan commitments--Continued						
Recreation:						
Number	12	16	8	6	13	-18.8
Amount...$1,000	562	773	287	285	544	-29.6
Average...dollars	46,830	48,310	35,870	47,500	41,850	-13.4
Indian Tribe land acquisitions:						
Number	0	2	1	0	1	-50.0
Amount...$1,000	0	540	1,500	0	250	-53.7
Average...dollars	0	270,000	1,500,000	0	250,000	-7.4
Watershed and flood prevention:						
Number	1/	1/	1/	3	7	---
Amount...$1,000	1/	1/	1/	3,690	960	---
Average...dollars	1/	1/	1/	1,230,000	137,140	---
Resource conservation and development and rural renewal:						
Number	1/	1/	1/	7	11	---
Amount...$1,000	1/	1/	1/	708	2,152	---
Average...dollars	1/	1/	1/	101,140	195,640	---
Total commitments - $1,000	533,672	667,828	557,968	487,601	787,763	18.0

1/ Prior to 4th quarter 1972 there were no FHA insured loans under this program. Starting in the 4th quarter, all new loans are being made under the insured program and some existing direct loans are being transferred to the insured account.
2/ More than 500 percent.

Farmers Home Administration.

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